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## **STRUCTURING FOR GLOCALIZATION:**

### **THE MINIMAL NETWORK<sup>1</sup>**

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#### **ABSTRACT**

Globalization and localization seem to be opposite concepts – a thesis and its antithesis. Nonetheless, managers seem to be able to handle the paradox posed by these two contradicting tensions by enacting, via action, a synthesis that allows for the co-presence of a high level of global integration and local adaptation (instead of a compromise between both), which has been labeled *glocalization*. We discuss how the concept of improvisation allows this synthesis by developing the two poles that ground it, namely ‘glocal’ strategy and ‘glocal’ organization. Global advantage requires a dialectical capability that organizations rarely achieve, and the importance of which orthodox management theory rarely recognizes.

Key words: synthesis, glocal strategy, glocal organization, minimal network, improvisation.

## INTRODUCTION

Globalization has been largely researched in terms of political economic strategies and structures (e.g. Levitt, 2005; Robertson, 1992; Stiglitz, 2003). While globalization is discussed in management and organization studies it is usually done so in terms of standard management topics which are seen as problematic from a globalizing perspective (Samiee and Roth, 1992; Torben 2004, 2005)

What is less often investigated in studies of globalization in management and organization studies are the processes involved in simultaneously managing and organizing the processes involved in relating the global and the local across space and time – the process that Robertson (1995) refers to as ‘glocalization’. The concept, a neologism coined for the process that conjoins the global and the local, is defined in terms of what Czarniawska and Sevón (2005) refer to as translation: the process whereby practices move from one context to another, always carrying something of the old location with them as they pick up new attributes from the novel context. The universal ideas and processes involved in globalization are necessarily interpreted and absorbed differently in distinct places. Glocalization captures the way in which homogenization and heterogenization intertwine (Robertson 1995: 40). When this conjuncture occurs, we may say that major management implications emerge as non-contiguous spaces are regarded as if they fell under the common calculus of coterminous times. From a processual perspective within management and organization studies it is how this management of differentiated spaces in relatively coterminous times is assembled, related and the tensions that these process create, which is the central element of interest in management.

In the paper we first outline a brief introduction to globalization, noting both continuities and discontinuities with earlier conceptions of global domination. Doing this is preparatory to focusing on coterminous times and non-contiguous spaces as sources of tension for global managers in today's global companies. In the third section of the paper we outline how minimal networks can be used as an organizational form coordinated by minimal trust derived from minimal commitment and minimal consensus, which we see characterizing many instances of glocalization. These conditions are most apparent in two specific tensions of glocalization: between global strategy versus local strategy and between global-local cooperation. Finally, we propose that globalization and localization can be convergent forces only when a synthesis between planning and adaptation and control and initiative/freedom is put in place. Thus, we oppose overly rationalist models of coordination and control with ones that are dialectical.

### **GLOBALIZATIONS AND TRANSNATIONALS**

Since the time of the earliest civilisations trade has cut across national and regional borders. Economy and society involving exchange of raw materials, animals and crops, semi-finished and finished goods, services, money, ideas, and people, has existed since the dawn of civilization (Diamond 1997). For several hundred years from the 16<sup>th</sup> century onwards, trade between European state systems and their colonial offshoots defined international trade. Such trade involved the world's major companies, organized religions and local chiefs and merchants. Often it comprised plunder and looting, dealing in slaves as well as precious and rare commodities. Only later, with the advent of industrialization,

did it involve more mundane commodities spreading globally, often replacing indigenous products.

Once national markets were relatively well-established, business became organized in what some theorists refer to as "organized capitalism" (Lash and Urry 1987). Essentially, this meant national firms with strong identities in their domestic markets would move to capture non-national markets, based on this expertise. The impact of these trading patterns often went beyond the commercial, into the cultural and the symbolic. In Florianopolis, a regional city and state capital of Santa Catarina, in the far south of Brazil, we have seen a "Huddersfield" store, called this because it sold woollen textiles. Such stores are named after the town in Yorkshire, England, that was a centre of wool textile manufacturing. More generally, anywhere in Australia and New Zealand, as well as in Brazil and elsewhere in Latin America, you can walk into the "Manchester" section of a department store and buy cotton goods there, or go to a separate Manchester shop. Retailing inexorably linked nationally specific places with particular types of product. These products not only captured markets but also the language. When this was the case, globalization was easy: it just steamrolled what was in its way, including local language. The fact that a majority of the global poor live in the former colonies of Europe should be seen as a direct consequence of more than 200 years of colonialism. Current neocolonialism can be understood as a continuation of Western colonialism without the traditional mechanism of expanding frontiers and territorial control but with elements of political, economic and cultural control. Thus, today globalization is no longer just about powerful countries establishing trade with the powerless. It is about organizations that assimilate trading flows across multiple countries extending beyond national space in

their routine activities or, as Therborn put it, “tendencies to a worldwide reach, impact, or connectedness of social phenomena or to a world-encompassing awareness among social actors” (2000: 154). These transnational organizations seek control over both production and consumption in multiple countries. To do so they must be able to manage coterminous times across non-contiguous spaces, including the integration of complex supply chains, global and simultaneously local marketing, and cultural differences that pose acute problems for managers.

### **COTERMINOUS TIMES AND NONCONTIGUOUS SPACES AS SOURCES OF TENSION**

There are major management implications when coterminous times meet non-contiguous spaces. Sense has to be made between different spaces – and there is less recovery time in which to make amends if sense breaks down, is disrupted or badly managed. The following factors can come into play: (1) the need to adapt global strategies to unforeseen local circumstances and (2) the need to organize cooperation between people with different cultures. Organizations aiming to achieve a successful internationalization process will face these challenges at one point or another throughout this process (e.g. Pettigrew et al., 2003). Nonetheless, most companies are ill equipped to tackle them because all incorporate tensions that are not intuitively addressable.

The first tension puts global and deliberate strategies against local and emergent ones. It is difficult to argue against the efficiency gains of global strategies and the pressing need of truly global brand management (Douglas and Craig, 1989). Nonetheless, anecdotal evidence on the importance of local adaptation (Peters, 1987) and empirical proof on the

futility of purely deliberate/planned strategies (Mintzberg and McHugh, 1985) shows that these goals are challenging to attain and may even prove counterproductive to a company's global strategy.

The second tension articulates the conflict between the need for cooperation among local units and between these and headquarters (mostly driven by the need to transfer and integrate explicit and tacit knowledge) and the realization that cultural differences among countries and regions of the globe are significant enough to deplete any grounds for trust among these units. Managers and employees and local communities of practice only develop a sense of self in relation to others. For most of human history, these others were framed by what was available at the local, often village, level. Today, even the most remote villager can see their self against the mirror that the media projects into their communities. Everything relational flows through space: what it means to be human; what it means to be a member of a society; what it means to be a part of a society within a world system of states – all of these are infinitely expandable once the security of village perimeters are breached. Each one of us has to consider ourselves in relation to those others that flow through and colonize the spaces we are in: the material flows of the global world and the invisible flows that trade in the export of cultural consciousness and changing conceptions of the self. It is the latter that always pose the fundamental question of identity: where and how in the world do I fit in – or who and what am I?

The above challenges are not new to the management literature. In fact, these paradoxes, which constitute the global versus local in international management, have been extensively addressed by both the popular and the academic business literature (e.g. Dicken, Forsgren and Malmberg, 1994; Handy, 1995). The paths that both groups of

authors chose to pursue in addressing these tensions call either for a balance between their poles (i.e. mixing the right amounts of locality and globality; Baalbaki and Malhotra, 1993) or for a choice of one of the poles contingent to external factors and internal conditions (i.e. choosing either a more local approach or a more global one, depending on the characteristics of the firm and those of its host countries; Yip, 1989). Additionally, another group of authors has built upon the difference between adaptation and adaptiveness (Weick, 1998), contending that these paradoxes are ultimately unsolvable and warning managers that “success results from deep grooves but deep grooves destroy adaptivity [which in turn hinders success]” (Peters, 1992: 616).

Organizations can seldom afford the luxury of making trade-offs between being global and local, because of effectiveness and efficiency constraints (Dichter, 1962). Hence the tensions cannot be resolved by coming down on one side or the other. We argue that the poles of the tensions that form these paradoxes constitute a thesis and an antithesis requiring a synthesis. To accomplish this, we draw on the literature on real-time strategy, organization and change, to present a synthesis for each of the three major tensions we identified above as central to an internationalization process, concluding by offering the possibility of extending this synthesis to organization theory as a whole. In the process we highlight the notion of minimal network as a potential design for glocalizing action.

### **THE NOTION OF THE “MINIMAL NETWORK”**

In the context of multinational corporations, a “minimal network” can be described as a form of coordination that operates a synthesis between the global ethnocentric firm and a constellation of independent local subsidiaries. It is an organizational form coordinated



by minimal trust that derives from minimal commitment and minimal consensus (Cunha et al., 2004). These are held together by a minimal structure of integration. The minimal network is a suitable form for organizations characterized by high performance ambiguity and high goal incongruence, which is the case, we suggest, of those competing in the global arena. In transnational firms, performance ambiguity results from the demands of local adaptability. Performance across subsidiaries is difficult to compare because of its embeddedness in social networks and in local resource thickets (Anderson, Forsgren and Pedersen, 2001). Moreover, subsidiaries are often in different stages of development further complicating performance assessment (Birkinshaw and Hood, 1998). Local embeddedness also creates goal incongruence, as different subsidiaries will have different local agendas. Additionally, local business norms, differences in career paths within subsidiaries and differences in the structural position of subsidiaries in the transnational network will all contribute to atomize subsidiaries' interests and stakes (Cunha and Cunha, 2001).

Considering Ouchi's (1979) two criteria to map theoretically possible organization forms (performance ambiguity and level of goal incongruence), one blank slot corresponds to a major challenge for organizations in hypercompetitive fields: the integration of actions whose performance is difficult to assess, while avoiding the dangers of strong cultures, which means that they have to accept high goal incongruence. This is the aspect that distinguishes the minimal network from clan organizations. In clans and networks, the high performance ambiguity tends to be compensated by low goal incongruence. However, the low goal incongruence achieved by strong cultures greatly reduces the

flexibility of a network, limiting the added effectiveness that is at the basis of the adoption of this configuration.

The minimal network shares the normative conditions of the network configuration, although with a major difference. Whereas in the network form these conditions are set at high levels (Ouchi, 1979), in the minimal network they are set at a “minimal” level. This means that reciprocity is kept at the necessary level for cooperative action to be possible, but at the same time it is kept low enough to avoid phenomena detrimental to diversity, such as increases in similarity-based trust, and group pathologies such as risky shift. The point is to ground relationships on swift trust, a depersonalized form of trust, substantiated on positive stereotypes of the people with whom one interacts and on a positive perception of teamwork (Jarvenpaa and Leidner, 1999). As such, the minimal network achieves a paradoxical approach to trust, with trust and distrust coexisting in the sense that members trust each other not as individuals, but instead as members of a “trustworthy” category of people. Formal authority is also kept to a minimal level. The point is to create the necessary structure for diversity to bear fruit and coalesce around the accomplishment of organizational goals, while making sure that this structure does not harm diversity and its potential creativity.

Consensus about values and beliefs also needs to be kept at a “minimal” level. The point is not to forgo a shared culture completely. Instead, to maintain diversity, a culture needs only to share those values and beliefs that allow it to forfeit other coordination mechanisms. This is often linked more to the content of the values and beliefs that the organization shares than to their number. Hence, believing in the virtuosity of error as a source of learning and in the centrality of action in understanding the environment can

assure that the organization's culture has its role limited mostly to coordination, thereby avoiding its common harmful impact on diversity.

The minimal network relies, additionally, on minimizing the amount of commitment to the team or subsidiary and to its course of action. Again, the need for commitment is not eliminated, but it is maintained at a level that allows for individual diversity and creativity to materialize into the accomplishment of organization-wide goals without falling into the pathologies associated with excessive commitment. This organizational form is useful to deal with two tensions confronting transnational companies: (1) the need to address both local and global facets of strategy, and (2) the need to organize globally while eliciting local cooperation.

### **GLOBAL STRATEGY VERSUS LOCAL STRATEGY**

Strategy is home to one of the most pervasive and important tensions when going international. On the one hand, the efficiency gains of internationalization can be extremely profitable for the organization (Samiee and Roth, 1992). Expanding one's market allows reaping economies of scale and the differences in demand across borders potentially expands the product life cycle. However, on the other hand, local cultures and tastes differ greatly from one country to the other and thus product standardization – the hallmark of economies of scale – can seriously hamper effectiveness and sustained profitability (Greenwald and Kahn, 2005; Ghemawat, 2005).

In the past it has been suggested that a company should either strike a balance between a global and a local strategy, in order to benefit of some scale, while taking

care to adapt its course of action to local circumstances, or choose between a more globally-oriented strategy or a more locally oriented one, depending on the nature of one's product and the similarity of the host market to the domestic one (Kim and Mauborgne, 1988). According to our argument, a synthesis between global generalization and local adaptation is possible by creating 'minimal' plans that can fuel local adaptations as their need arises, thus allowing local operations to plan in real time. Research on organizational improvisation has shown that this is not only possible but also profitable (for a review see Cunha, Cunha and Kamoche, 1999). Thus, an understanding of the factors that allow organizations to enact this practice can be grouped into the following syntheses: (1) coupling an experimental culture with tight controls; (2) treating memory both as friend and as foe; and (3) coupling skilled individuals with unskilled resources.

#### *Coupling an experimental culture with tight controls*

As far as the first synthesis goes, the point is that a mix of formal controls can help foster an experimental culture. This type of culture results from a set of values and beliefs that promote action and experimentation – as opposed to reflection and planning – as a way of understanding and dealing with reality through what Weick (1995a) calls an 'aesthetic of imperfection'. Those that do, recognize that in turbulent global competitive landscapes it is difficult to survive, let alone prevail, without seriously pursuing local innovation. These companies accept the 90%+ failure rates for which innovation is known in the business arena (Craig and Hart, 1992) as the price to pay for the 10% that do succeed and for the learning that ensues (Crossan and Sorrenti, 1997). Cultures, in this kind of organizations, have strong 'pro-innovation' biases and believe that a great plan can only

be accomplished from finding an emerging pattern in actions taken in the past, via sensemaking (Weick, 1995b). To foster such a culture, these companies use two major mechanisms. First, they reward people based on the number of ‘competent mistakes’ they have made (a competent mistake being one that results from experimentation, not from flawed execution) (Picken and Dess, 1997). Second, they can tap the power of symbolic action and stories as third order controls (Perrow, 1986), by diffusing tales of ‘competent mistakes’ as role models for the organization’s members.

An experimental culture thrives on urgency. The occurrence of an unexpected and ‘unplanned-for’ event is not enough for improvisation to happen. Those that are to tackle this event should feel that it can only be addressed through fast action (Perry, 1991). Otherwise they can fall back on planning (because they perceive that they have time to do so) instead of being pushed to compose a course of action in real-time – a process of a far more daunting nature than the former (Eisenberg, 1990).

For this culture to thrive, it must be coupled with a mix of control mechanisms that allow it to converge around central, corporate-wide goals. Otherwise it risks disaggregation and cross the thin line between flexibility and unproductive random action (Stacey, 1991). The control mix is composed by three major elements: (1) first and second order ‘invisible’ controls, (2) milestones and (3) clear goals. Most authors on improvisation argue that the only kind of control mechanisms applicable in an organization that aims to improvise, are third order controls, meaning indirect controls that coordinate via culture or ideology (Perrow, 1986; Mintzberg, 1995; Weick, 1993a, 1993b). This argument can be justified by drawing on the work of Dougherty (1996), who has shown the difficulties of pursuing novel actions in organizations stifled by first (direct supervision) and second

(standardization) order coordination mechanisms. However, drawing on findings in critical studies of organizational control, we contend that improvisation can happen in environments where first and second order mechanisms are abundant. The touchstone for controlling those who improvise is not the degree of obtrusiveness of the mechanisms used but their invisibility. Direct supervision can be ‘delegated’ from superior to peers allowing for the maintenance of this type of coordination without hampering creativity (Sewell, 1998). Second order controls can be rendered invisible by incorporating them in the production technology itself (be it of tangible goods or services; see Joerges and Czarniawska [1998]; Barley and Kunda [1992]).

Second, milestones or action deadlines have been found to be an effective mechanism to hold the momentum/sense of urgency first triggered by an unexpected and ‘unplanned-for’ event (Gardner and Roggoff, 1990). Furthermore, milestones are opportunities to perform a check between current actions and the development of the situation the organization is facing, allowing it to detect any deviations/misperceptions that need to be corrected (Eisenhardt and Brown, 1998). Moreover, milestones are set in advance and planned, thus providing a sense of structure/routinization to improvisational activities often perceived to result from chaos and disorder (Eisenhardt and Tabrizi, 1995). Finally, milestones serve as moments of feedback as partial stages/steps are concluded and thus, potentially increase individual motivation – building the momentum and the sense of urgency needed for improvisation to be sustained.

Finally, clearly articulated goals serve the critical function of ensuring that improvisational activity amounts to the attainment of organizational objectives. Clearly articulated goals perform, in organizational settings, a very similar function to that of the

chord structure in jazz improvisation (Kamoche and Cunha, 2001). They are akin to a magnetic field that, although not prescribing individual action, are strongly normative in what concerns the results of such action (Weick, 1993a). They also contribute to coordination among individual members by defining the results of their activity in a similar process to that of standardization of outputs (Mintzberg, 1995).

*Treating memory both as friend and foe*

Memory, the second synthesis states, can be both helpful and harmful to improvisation. On the one hand, as far as procedural memory goes, a *small number of routines* are a central condition for improvisation. In this light, improvisation appears to only occur when an organization/individual does not have an adequate routine/procedural memory to respond to an unexpected situation (Moorman and Miner, 1998a, 1998b). In situations for which an adequate routine does exist, then improvisation will be highly unlikely. This rationale is grounded on the following: first it would be inefficient to invest in finding an improvisational course of action when another standard procedure that is effective is already stored in memory; second, these response processes are often unconscious, automatic, and undetected, lowering the deliberateness of their choice. However, in spite of empirical proof that procedural organizational memory does hinder improvisation (Moorman and Miner, 1998b), it is at least theoretically arguable that the opposite is also true. In fact, if we understand routines as grammars (Pentland and Rueter, 1994), and knowing that elements in grammars can be combined in endless possibilities, then procedural memory would be the organizational counterpart of a musical score, which organizational improvisers can embellish/modify at will during action (Moorman and Miner, 1998a; Weick, 1998). Firms with established routines are *more likely* to improvise

than others that do not (Brown and Eisenhardt, 1995). Our contribution to the untangling of this paradox lies in affirming that although organizational memory hinders, in fact, improvisation, this can be attenuated if the organization can build the necessary will to depart from current grammatical forms and use their elements to create new routines *as action is unfolding*.

On the other hand, declarative memory, the knowledge of facts (Anderson, 1983), is more related to qualitative variations of organizational improvisation, playing an important role in the degree of improvisation: the more facts an organization knows the broader and, arguably, diversified its basis for creativity and thus for improvisation (Amabile, 1998; Woodman, Sawyer and Griffin, 1993; Moorman and Miner, 1998b). Nonetheless, it must also be stated that a wide span of declarative memory may slow the speed of improvisation, because of the size of the amount of time that individuals must invest to search through all available alternatives (Moorman and Miner, 1998a), although one could argue that bounded rationality (Simon, 1990) would counter this phenomenon, although group dynamics would magnify its detrimental effects (Mortensen and Hinds, 2001).

#### *Coupling skilled individuals with unskilled resources*

Regarding the synthesis between specialization and generality, improvisation seems to call for skilled individuals to deal with unskilled/general-purpose resources. Having skilled individuals in an organization that aims to be proficient at real-time planning implies, first and foremost, that the level of performative skill that each individual possesses determines her/his ability to pursue improvisational activity that is distant



from organizational routine (Crossan, White, Lane and Klus, 1996). Additionally, when improvisation is a group phenomenon, this group's improvisational performance will be limited by the ability of its least skilled member (Bastien and Hostager, 1991; Hatch, 1999). The relevance given to skill rests on it being a vehicle for creativity to be put in practice. Thus, individual creativity is also an important orientation that an improviser must possess (Erickson, 1982; Crossan, 1998) with research suggesting that it can be developed through training (Vera and Crossan, 2005). Only high levels of individual creativity will allow for radical departures from current organizational practice which, according to Weick, reflect "purer instances of improvisation" (1998: 545), with lower level of it resulting in 'variations' or 'embellishments' that still retain much of the original routine/idea and that may not be as effective. Another organizational attribute that can do much for the effectiveness of improvisation is member skill diversity. Homogeneous organizations are not prone to diverse approaches to solve problems or to reap opportunities, the same goes for individuals (Hannan and Freeman, 1989). Thus, the 'novel' element of organization improvisation will be seriously compromised if the organization does not benefit from a diverse population and it will probably be limited to mere embellishments or small variations upon existing ideas, products, practices and routines (Weick, 1998; Hatch, 1997).

Contrary to what happens with organizational members, the resources the individual/team/organization possesses are more favorable to improvisation if they are unskilled, i.e. unspecialized. In fact, specialized and limited purpose resources can thwart improvisation by limiting organizational members' ability to turn their ideas into practice. Conversely, multi-purpose resources are flexible enough to be deployed into a variety of

uses, even if those uses were never part of the organization's original intentions (or even imagination) for their applicability (Weick, 1993a). Thus, resources may affect improvisation through bricolage by augmenting the possible courses of action an organization can take, because of resource flexibility (Baker and Nelson, 2005). General-purpose resources reduce the number of constraints upon those that are conceiving action as it unfolds, thus augmenting their potential degree of departure from standard practice/ideas and, ultimately, their ability to reach 'purer' forms of improvisation.

Consequently, the more that an organization taps into local consciousnesses that differs from those privileged in its corporate culture, the more creative potential it has available to it. It is not for nothing that some cultures, relatively impoverished in rich and routinized resources, are famed for their improvisational capabilities. One thinks of the legendary adaptability of Cuban citizens in keeping old vehicles on the road with little or no resources with which to fix them, or the famed "Kiwi ingenuity" of New Zealanders. However, the tendency is often to think, in corporate terms, "my way or the highway". Transnational activity is not easily managed precisely because it transcends so many spaces: it involves negotiation with different states, suppliers, interest groups, customers, etc., which adds to the burden of senior managerial complexity. Of course, it would be easiest to impose a fixed and routine way of doing things from the corporate centre – but often this not all feasible.

### **ORGANIZING GLOBALLY TO ELICIT GLOBAL-LOCAL COOPERATION**

The tensions that an international company confronts are not limited to strategy. Its mode of organization is also an important concern because national differences add a further

layer of differentiation and complexity (Hofstede, 1980). Again, previous efforts dealing with this paradox have called companies to strike a balance between pressures to have transnational organizational practices, thus lowering coordination costs across borders (Lorange, 1986), and local ones, which permit a managing style that takes into account the beliefs, preferences and values of local organizational members. Even a company as global as Coca-Cola needs some degree of adaptation (Svensson 2001). Still others have contended that top management has to choose one of these poles taking organizational circumstances and external conditions (Kanungo and Wright, 1983). Again we argue for integration between the two extremes of this tension, a ‘minimal organization’ grounded on the following syntheses: (1) trusting unmet organizational members (minimal trust), (2) coupling minimal commitment minimal consensus and; (3) controlling to liberate (minimal structure).

*Trusting unmet organizational members (minimal trust)*

As far as the first synthesis goes, this apparent paradox is integrated by using trust as a coordination mechanism but grounding trust not in interpersonal ties but in stereotypes, thus exempting organizational members from the personal disclosure trust-based organizational forms often entail (McAllister, 1995), allowing for the necessary differentiation needed to meet the complexity of turbulent environments (Emery and Trist, 1965). This ‘minimal trust’ amounts therefore to organizational members trusting someone they do not know. This means that the elements normally associated with building trust are kept at a minimum level, just about the necessary for allowing the integration needed to fight fragmentation. The point here is to create the conditions needed for trust to emerge (the belief that the individual with whom someone is

interacting, will act in a way that is beneficial or at least not detrimental to him or her) with the minimum level of commonality and personal disclosure. This is accomplished by coordinating by the means of a generalized other (Jarvenpaa and Leidner, 1999), instead of social similarity. In this type of coordination, trust arises from a self-fulfilling prophecy of trustworthiness the individual develops, based on stereotypes of his/her interactants and on previous network/team experiences. Socialization mechanisms have an important role to play in this process.

Socialization ceases to be related to the indoctrination of particular organizational values and beliefs. Its purpose is to facilitate coordination by a generalized other. This means that this process is now aimed at creating favorable stereotypes of the categories of people newcomers are prone to interact with, and at developing a favorable attitude towards working in trust-based settings (Armstrong and Cole, 1995). Creating an attitude favorable to trusting other members of the organization is ultimately equivalent to foster institution-based trust, because members are trusted on the basis of their affiliation with the organization (Frances, Levacic, Mitchell and Thompson, 1991). For this to be possible, a different (one is tempted to say 'minimal') conception of culture and structure must also be present.

#### *Coupling minimal commitment minimal consensus*

The second synthesis consists of a 'minimal' organizational culture, where high levels of commitment and consensus favored by much of the prescriptive management literature – arising from the self-management approach – are replaced by minimal levels of both factors in order to avoid the detrimental effects this approach potentially generates. As far

as *minimal commitment* goes, its purpose is to promote the level of commitment needed to assure the necessary level of performance on behalf of the individual, while avoiding blind adherence to individual, group and organizational decisions. Organizational members must take the success of the organization as a central value, but they also are to be permeable to information that goes against decisions made both by them as individuals, and by the group or organization to which they belong as a whole. The dynamics that underlie a 'healthy' level of commitment to an organization are coincident with those that explain individual and group pathologies found in organizations, such as groupthink and individual defensive routines (Janis, 1971). Knowing that commitment is the result of the attempt to resolve a cognitive dissonance that comes from making a public and explicit choice without sufficient external justification (Salancik, 1977), the challenge lies in promoting a set of values and beliefs that fosters a positive attitude towards public and explicit errors. This attenuates the need for triggering the dissonance reduction process, because the organization values mistakes as long as they are an input for learning (Sitkin, 1992).

Minimal commitment needs however to be coupled with *minimal consensus* in order to more effectively avoid the negative consequences brought by strong cultures, without loosing the unobtrusiveness of the controls they rely on. Minimal consensus is grounded on the understanding that diversity of perceptions favors a richer understanding of the environment and, therefore, allows the organization to act in a more informed way (Starbuck, 1965). Moreover, diversity in the composition of the organization's population allows a wider repertoire of solutions and a higher level of flexibility (Hedberg, Nystrom and Starbuck, 1976). These characteristics facilitate, in turn, a higher degree of

adaptability to changing environments (Brown and Eisenhardt, 1997) – the reason why trust-based organizations are adopted in the first place (Powell, 1990). This is accomplished by matching external complexity, which can reach significantly high values in this kind of environments (Emery and Trist, 1965), with complexity of individual organizational members, instead of with complexity of organizational design (Weick, 1993a). In short, the organization copes with environmental complexity by having “complex” members, instead of adopting complex designs.

Minimal consensus rests on a deliberate and intentional effort to reduce commonalities among organizational members to the minimum level required for integration to be feasible, thus abandoning the pursuit of common perceptions of the environment and of common values and beliefs, promoting instead compatibility among the perceptions, values and beliefs of different organizational members. The purpose of this is to allow trust to emerge by a perception of compatibility, instead of one of similarity (Weick, 1993b). In this way, individuals acknowledge that they hold a valuable perception of reality, but also realize that that perception is limited, and its real action taking and decision making power can only be harnessed when combined with different views from other members. It is important, though, that those perceptions, although not being identical (global), are compatible (glocal) in the sense that they illuminate a certain reality from different but complementary (i.e., local, as opposed to antagonistic) perspectives (Hedberg et al., 1976).

*Controlling to liberate (minimal structure)*

Finally, the third synthesis, which we label ‘minimal structure’, is constituted by three elements: (1) coordination by action, based on (2) a minimal set of rules and, on a (3) shared social objective. Due to the absence of a strong culture, from which trust and coordination can be derived, this type of organizations replace a shared system of values, beliefs and perceptions, by coordination through action. This means that the integration of the individual efforts of organizational members does not rely on sharing the same culture but on having a *compatible* perception of the challenges posed by the environment (Weick, 1993a), that creates a ‘law of the situation’ for individuals to obey (Follett, 1940). Like coordination by culture, this is still a third order control, but one that promotes instead of hinders diversity, by fostering the emergence of *compatible* (as opposed to *shared*) views on the problem or opportunity laying before the group, that allow for a broad variety of alternative courses of action to appear (Eisenberg, 1990).

Control in minimally-structured organizations is also achieved through a small set of rules that govern the interaction among their members (Weick, 1998; Cunha et al., 2004). Those rules can emerge from the nature of the task faced by the group or from broader social norms (Hatch, 1997). As far as the nature of the task is concerned, these rules are embodied in a restricted set of cognitive and behavioral alternatives the members can choose from. In spite of the diversity desirable in this kind of organizations, this set of alternatives is restricted, because of the necessary compatibility among its members for minimal integration to occur (Brown and Duguid, 1991). This set of alternatives can be equated to an organizational grammar: a set of elements and combination rules among those elements that allow for the formation of an almost infinite set of different courses of action, from a limited set of inputs (Pentland and Rueter, 1994).

Another important mechanism of coordination in the minimal network is a shared social objective. In fact, because of the parsimony of control mechanisms, the organization's goals must be explicitly shared by its members (Orr, 1990); otherwise, although individual teams can respond adequately to problems or opportunities in the environment, they will do so on an ad hoc basis that can increase the fragmentation of the organization as a whole in a continuous fashion, compromising its long-term integrity (Senge, 1990).

### **FINAL COMMENT**

When going international, organizations are faced with many paradoxes and making choices seems hard indeed. The discussion of how to tackle these paradoxical requirements is still at the center of the discussion on global organizing (e.g., Ghemawat 2007): on the one hand, the efficiency benefits coming from standard/global strategies and organizational practices are hard to surrender because of the increasing pressure that publicly traded companies feel for short-term profitability; on the other hand, the differences among national cultures determine that customers have different tastes and employees have different values and beliefs, and thus some level of adaptation is mandatory. More often than not, the solution to this paradox emerges from a pattern of organizational actions, which tilts it towards one of its poles. In doing so, at least some of the benefits fail to be reaped and the organization as a whole loses in the process. Scholars that have chosen to address this problem have called for a deliberate balance between globalization and localization or for a contingent option for one of these poles. Still others have argued that paradoxes such as this are ultimately unsolvable and warn managers that these tensions are not a challenge to tackle but a condition to endure.



We proposed a different approach, one that sees globalization and localization as convergent forces pushing for translocalization (Czarniawska 2008). For this convergence to occur, a synthesis between planning and adaptation and one between control and initiative/freedom must be put in place by altering the nature of plans and prescribed organizational structures and norms. When this is so, then international companies can achieve, to paraphrase Drucker (1993), one of the most challenging tasks of all: to be efficiently effective or, in other words, to do the right things right.

We have identified areas of concern with which managers trying to do the right things right will have to grapple. These include managing the intersection of national societies and all their tacit assumptions, with an increasingly systemic, patterned, networked and interconnected (flat) world, where the competition between networks will become more visible and intense (Fung, Fung and Wind 2008). Competition between networks will in turn require new theories of organization and new designs.

In some circles, it is fashionable to shrug and simply deny that management has any responsibility to any other humans, apart from shareholders. Such an idea is a deeply irresponsible fiction. There is no simple, disembedded global rationality, focused only on accounting fictions, which a manager can apply, as if it were a powerful talisman, ritual or incantation. There is no special method to insure one against, and insure one's organization from, the perils that occur when an irresistible force, such as globalization, meets an old immovable object, like a deeply embedded local reality with its own dealings (Jones and Kahnna, 2006). Globalization means singular strategic visions colliding with a world composed of many local realities, interrupting and contaminating the purity of vision with the obdurate, messy, rationalities within which we all work –

including even the visionaries. It is for these reasons that the perspective of this paper is valuable: globalization is driven by the strategic responses of firms as they explore market opportunities and adapt to changes in their technological and institutional environment, and attempt to steer these changes to their advantage. But their advantage requires a dialectical and synthetic capability that they rarely achieve, and the importance of which orthodox management theory rarely recognizes.

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